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# HOUSE BILL No. 1746

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 20-3-11-22; IC 20-5; IC 21-4-20.

**Synopsis:** Tax anticipation warrants. Eliminates a cross reference to a repealed provision. Allows a school corporation to issue tax anticipation warrants that exceed 80% of the anticipated tax and tuition support distributions receivable from the June settlement from the county auditor if the amount of the warrants does not exceed the total receivable for the entire year. Repeals a provision that grants substantially similar anticipation loan authority specifically to school towns and school cities.

**Effective:** Upon passage.

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January 21, 2003, read first time and referred to Committee on Ways and Means.

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First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

## HOUSE BILL No. 1746

A BILL FOR AN ACT to amend the Indiana Code concerning education finance.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1 SECTION 1. IC 20-3-11-22, AS AMENDED BY P.L.2-2002,  
2 SECTION 70, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 UPON PASSAGE]: Sec. 22. (a) The board of school commissioners  
4 may not create any debt in excess of twenty-five thousand dollars  
5 (\$25,000) in the aggregate, except as otherwise provided in this  
6 chapter, and except further debts as are on or after March 9, 1931,  
7 authorized by the general school laws of Indiana, including within the  
8 latter exception, but not by way of limitation, ~~IC 21-4-20 and~~ IC 20-5-1  
9 through IC 20-5-6.  
10 (b) Notwithstanding the provisions of subsection (a), the board is  
11 liable upon its lawful contracts with persons rendering services and  
12 furnishing materials incident to the ordinary current operations of its  
13 schools if the contracts have been entered into as provided in this  
14 chapter and in accordance with law. The obligations of the board to  
15 persons rendering services or furnishing materials may not be  
16 considered to be limited or prohibited by any of the provisions of this  
17 chapter.



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(c) If the compensation to be paid for the purchase of any real estate or interest in real estate required by the board for its purposes cannot be agreed upon or determined by the board and the persons owning or having an interest in the land desired for its purposes or sites, the board of school commissioners has the power of eminent domain and shall proceed to have the compensation determined and to acquire the title to the real estate or interest in the real estate by action in court under IC 32-24. The right and power of the board to own and acquire real estate and interests in real estate in any of the manners and for any of the purposes specified in this chapter or by the general school laws of this state may not be limited to real estate situated within the corporate boundaries of the civil city in which any school city is located. However, the right and power to acquire and own real estate extends to any parcel or trace of real estate the whole of which is situated:

(1) within one-half (1/2) mile of the nearest point on the corporate boundary of the civil city; or

(2) within, or within one-half (1/2) mile of the nearest point on the boundary of, any platted territory lying outside but contiguous to, or contiguous to another platted territory that is contiguous to, the corporate boundary of the civil city.

(d) "Platted territory", as used in subsection (c), means any territory or land area of which a plat has been recorded in the manner provided by the laws of Indiana pertaining to the recording of plats of land.

(e) Before acquiring any real estate or interest in real estate outside the corporate limits of the civil city, the board must, by resolution made a matter of record in its corporate minutes, find and determine that, in the judgment of the board, the real estate or interest in real estate to be acquired will be needed for the future purposes of the board. This chapter does not limit the right of any board to accept, own, and hold real estate or interest in real estate, wherever situated, that is acquired by the board by gift or devise.

SECTION 2. IC 20-5-1-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. As used in IC 20-5-1 through IC 20-5-6, the following terms shall have the following meanings:

(a) "School corporation": ~~shall mean~~

**(1) for the purposes of a provision other than IC 20-5-4-8, means** any local public school corporation established under the laws of the state of Indiana, including but not limited to school cities, school towns, metropolitan school districts, consolidated school corporations, county school corporations, community school corporations, and united school corporations, excluding, however, school townships; **and**

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(2) for the purposes of IC 20-5-4-8, means a local public school corporation described in subdivision (1) or a school township.

(b) "Governing body" shall mean the board of commissioners charged by law with the responsibility of administering the affairs of a school corporation, including but not limited to a board of school commissioners, metropolitan board of education, board of school trustees, or board of trustees, and "member" shall mean a member of such governing body.

(c) "School purposes" shall mean the general purposes and powers provided in IC 20-5-2-1.2 and IC 20-5-2-2. However, the delineation of a specific power in IC 20-5-2-2 shall not be construed as a limitation on the general powers and purposes set out in IC 20-5-2-1.2.

SECTION 3. IC 20-5-4-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) Whenever the governing board of a school corporation finds and declares that an emergency exists for the borrowing of money with which to pay current expenses from a particular fund before the receipt of revenues from taxes levied or state tuition support distributions for such fund, the governing board may issue warrants in anticipation of the receipt of said revenues.

(b) The principal of these warrants shall be payable solely from the fund for which the taxes are levied or from the general fund in the case of anticipated state tuition support distributions. However, the interest on these warrants may be paid from the debt service fund, from the fund for which the taxes are levied, or the general fund in the case of anticipated state tuition support distributions.

(c) **Warrants issued under this section are payable not later than December 31 in the year in which they are issued.** The amount of principal of temporary loans maturing on or before June 30 for any fund the warrants issued shall not exceed eighty percent (80%) of the amount of taxes and state tuition support distributions estimated to be collected or received in that year for and distributed distribution to the fund at the June settlement: from which the warrants are to be repaid.

(d) ~~The amount of principal of temporary loans maturing after June 30; and on or before December 31; shall not exceed eighty percent (80%) of the amount of taxes and state tuition support distributions estimated to be collected or received for and distributed to the fund at the December settlement.~~

(e) ~~At each settlement;~~ (d) The amount of taxes and state tuition support distributions estimated to be collected or received for and distributed to the fund includes any allocations to the fund from the

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property tax replacement fund **under IC 6-1.1-21-10.**

~~(f)~~ (e) The estimated amount of taxes and state tuition support distributions to be collected or received and distributed shall be made by the county auditor or the auditor's deputy. The warrants evidencing any loan in anticipation of tax revenue or state tuition support distributions shall not be delivered to the purchaser of the warrant nor payment made on the warrant before January 1 of the year the loan is to be repaid. However, the proceedings necessary to the loan may be held and carried out before January 1 and before the approval. The loan may be made even though a part of the last preceding June or December settlement has not yet been received.

~~(g)~~ (f) Proceedings for the issuance and sale of warrants for more than one (1) fund may be combined, but separate warrants for each fund shall be issued and each warrant shall state on its face the fund from which its principal is payable. No action to contest the validity of such warrants shall be brought later than fifteen (15) days from the first publication of notice of sale.

~~(h)~~ (g) No issue of tax or state tuition support anticipation warrants shall be made if the aggregate of all these warrants exceed twenty thousand dollars (\$20,000) until the issuance is advertised for sale, bids received, and an award made by the governing board as required for the sale of bonds, except that the sale notice need not be published outside of the county nor more than ten (10) days before the date of sale.

SECTION 4. IC 21-4-20 IS REPEALED [EFFECTIVE UPON PASSAGE].

SECTION 5. **An emergency is declared for this act.**

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